



NORTH CAROLINA
ADMINISTRATIVE OFFICE
of the COURTS

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URGENT! Please Read. Voluntary Reduction in Force Plan for Immediate Implementation

To Senior Resident Superior Court Judges, Chief District Court Judges, Clerks of Superior Court and District Attorneys

The problem: Over the past several months, we have sought strategies to meet the upcoming challenges confronting the General Assembly by the projected \$3.7 billion deficit. It has now become apparent that we cannot provide assurances that the court system will be spared a level of cuts beyond which our current vacancy management strategy can meet. With this looming crisis ahead, I conferred with the leadership of all of the conferences and associations comprising hiring authorities in our court system. **I RECOGNIZE THE NEEDS OF THE COURT SYSTEM, AND WE SHALL BE CONSISTENT AND STRONG IN OUR POSITION THAT THE CORE SERVICES WE PROVIDE TO THE PEOPLE NEED PROTECTION.** But it would be irresponsible not to prepare for the possibility, which now seems more likely than not, that our current strategies will be inadequate to meet the projected deficit; and we would then be placed in the position of having to suddenly eliminate filled positions when the new budget for the next biennium is finally adopted in July.

The plan: We are therefore implementing a plan for a voluntary reduction in force. Our planning to this point has us in a position, for a short time, to absorb voluntary reductions in force while paying the severance package to which an employee would be entitled. If we wait until later this fiscal year or the next, no such assurance of these payments can be made. This would put us in the position of having to increase the numbers of involuntary separations just to pay for the number of positions required to meet the cuts imposed upon us, or the possibly worse scenario: layoffs without funds to pay severance packages at all. Since our budget is 90% compensation, the only place remaining to look for recurring cuts is in personnel. Our operating budget is insufficient to offset what we expect may be our recurring cut target. It is only by managing this process now, while we can pay for it, that we can position ourselves to survive the likely cuts necessary for a balanced budget while looking out for the best interests of our employees, who are our most valuable asset. We are initially implementing the plan in the field to make sure we have sufficient funds to underwrite the plan. We will expand it to the central office when the payments to the field are assured.

What you can do: Having concluded that this voluntary reduction in force plan is the best course, I am asking that our senior resident and chief judges, elected clerks, and district attorneys look carefully at the situation and determine if any positions in your office or under your supervision could be vacated voluntarily and held as a cushion against the likelihood of cuts which may otherwise require the involuntary elimination of filled positions. For example, if a magistrate's or clerk's or DA's office is fully staffed, and one presently employed person is willing to voluntarily accept the severance package and create a vacancy which would not be filled, and the remaining employees are willing or able to absorb the greater burden, then other critical needs can be protected, and the likelihood of an involuntary layoff will be reduced or eliminated. The same is

true for the Drug Treatment Courts, Family Courts, and all other programs and staff positions within the judicial branch.

One factor to consider: We want you to be aware that we have been using the workload formulas to determine where vacancies can best be absorbed with the least damage, acknowledging that the courts have always been asked to do more with less. These formulas show that some offices are presently staffed beyond the minimum level necessary, and compared to other offices, some offices are more likely than many others to sustain involuntary reductions if we reach a point where the General Assembly requires us to identify filled positions for elimination. Brad Fowler can help you if you have questions about this factor.

Urgency: So I ask that you carefully read the materials you will immediately receive from Margaret Wiggins in our Human Resources Office. We are offering this opportunity to you for your staff during a limited time. We must act while we have the time remaining during this fiscal year to accumulate the funds with which we can absorb the costs. If our circumstances change, the plan may not have sufficient funds for us to be able to do this. We must act quickly and carefully to identify positions where the savings protect us as we reach the \$3.7 billion precipice now looming. We will continue to fight for funding, but the reality of the situation is now upon us and we must act responsibly.

Weighing options: I realize this poses hard choices for hiring authorities who have the constitutional duties to provide core services to the people of our great state. But after hearing from our financial experts and conferring with the leadership of each conference and association of our elected officials and hiring authorities, it is very clear that taking advantage of this opportunity now outweighs the greater tragedy which can soon confront us. Were there any other way to prepare for these likely eventualities, I would choose it. And as I told the presidents of your conferences and associations, the price of not planning for this now would mean we risk not having sufficient funds to look out for our employees when the hard decisions have to be made six months from now, or even sooner.

Please call us if you have questions or concerns: I have told the presidents of each conference and association that I stand ready to talk to the executive boards or any groups to explain why we have concluded that this is necessary. Likewise, I am glad to talk to you as we work through this. Those who are willing or inclined to make these sacrifices now can find some comfort in knowing that this action will almost certainly save someone from an involuntary separation.

Participation depends on your determination: We have made this voluntary plan available through the hiring authorities only. **No employee can participate unless the hiring authority has approved participation.** For Magistrates to participate, the Clerk of Superior Court, Senior Resident Superior Court Judge, and Chief District Judge must all concur. This approval process is to make sure that core services are not eroded to a point where the savings cannot be justified. We are looking for voluntary separations which will result in a savings, and will entertain any reasonable plan to accomplish that. If you believe your staff is already so thin that no further cuts can be sustained, or that any program is so important it cannot be compromised, we will support your decision at this time. However, it is because we cannot assure anyone that future cuts will not be so severe that the positions may be lost anyway that this decision was made. I urge you in the strongest terms to carefully examine this option for your employees and consider it where possible.

If you would like to talk to my staff about a specific situation, you can reach Brad Fowler at 919 890-1223 or Margaret Wiggins at 919 890-1125. If you would like to discuss the policy in general or have suggestions or general questions, please call Becky Davis in my office at 919 890-1391. Thank you for all that you decide that you can do to help get us through what is hopefully the final chapter of this economic crisis.

